

Message Text

CONFIDENTIAL

PAGE 01 KABUL 06846 220643Z

13

ACTION NEA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-13 AID-20 EB-11 COME-00 TRSE-00

DRC-01 OMB-01 AGR-20 /169 W
----- 034972

R 220530Z SEP 73

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 5177

INFO AMEMBASSY ISLAMABAD

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

C O N F I D E N T I A L KABUL 6846

E.O. 11652: GDS

TAGS: EGEN, AF

SUBJECT: UNEASY QUIET DOMINATES KABUL ECONOMIC SCENE

REFS: (A) KABUL 6674; (B) KABUL 6751

1. SUMMARY: KABUL ECONOMIC SCENE BEST CHARACTERIZED AS LULL BEFORE THE STORM WITH RAMPANT RUMORS IMPENDING GOA CONTROL MEASURES. SCANT HARD INFO AVAILABLE ON GOVERNMENT ATTITUDES AND PLANS BUT SOME VERY REAL EVIDENCE THAT FREE MARKET ECONOMY IS AT VIRTUAL STAND-STILL. MOST OBSERVERS BELIEVE CURRENT LULL WILL PREVAIL UNTIL GOA DECISION ON EXCHANGE RATE SYSTEM IS FORTHCOMING. THIS DECISION SEEN AS ONE OF BEST GUIDELINES TO DAUD GOVERNMENT'S FUTURE ECONOMIC POLICIES. END SUMMARY.

2. ABSENCE STATISTICS ON ECONOMIC MATTERS IS NOT RPT NOT A NEW OR UNANTICIPATED PHENOMENON IN AFGHANISTAN. IN PAST, ANALYSTS HAVE PERFORCE TURNED TO PERSONAL CONTACTS, BOTH PRIVATE AND GOVERNMENTAL, IN MAKING PROGNOSTICATIONS ON CURRENT STATE OF ECONOMIC AND COMMERCIAL LIFE. WITH RELATIVELY WIDESPREAD RASH OF CHANGES IN GOVERNMENTAL OFFICES AND RETREAT TO OBSCURITY OF SOME OF BETTER
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KABUL 06846 220643Z

KNOWN PRIVATE CONTACTS, THIS SOURCE OF ECONOMIC INTELLIGENCE

IS RAPIDLY DRYING UP.

3. SOME BUSINESSMEN COMPLAIN THAT MAIL BEING CENSORED AND FOREIGN REMITTANCES BEING INTERCEPTED AND RETURNED TO SENDER. TWO DOCUMENTED CASES INVOLVING PANAM (LATER RESOLVED PRIVATELY) AND INDAMER KNOT RESOLVED) ATTEST THIS GOA CONTROL OVER PRIVATE ENTERPRISE TRANSACTIONS. WE INFORMED THAT SOME PRIVATE MERCHANTS HAVE FORMED PRIVATE COURIER SYSTEM TO EVADE GOVERNMENT CENSORSHIP AND INTERCEPTION OF FOREIGN REMITTANCES. CRACKDOWN ON PASHTANY TEJARATY BANK OUTSTANDING LOANS AND DISMISSAL OF GOVERNOR OF DA AFGHANISTAN BANK LAST WEEK ARE FURTHER EVIDENCE GOVERNMENT INTERVENTION IN ECONOMIC SPHERE.

4. SOME SHORTAGES BEGINNING APPEAR IN MARKET, ESPECIALLY IMPORTED CONSUMER GOODS. GOOD EXAMPLE IS VEGETABLE OILS WHICH ARE SUBJECT TO GOVERNMENT'S NEW PRICE CONTROLS. MERCHANTS NOW REFUSING PLACE IMPORT ORDERS FOR OILS AND SELLING REMAINING STOCKS AT BLACK MARKET PRICES TO KNOWN, RELIABLE CUSTOMERS ONLY. ACCORDING UPJOHN PHARMACEUTICAL REP, AFGHAN IMPORTERS UNABLE OBTAIN FOREIGN EXCHANGE FOR CLEARING MERCHANDISE BEING HELD FOR SHIPMENT. PRIVATE MONEY BAZAAR DEALERS CLAIM SEVERE SHORTAGE FOREIGN EXCHANGE CAUSED LARGELY BY MONEY CHANGERS SENDING ALL FOREIGN EXCHANGE HOLDINGS ABROAD IN ANTICIPATION OF GOVERNMENT CONTROLS (REF B).

5. VISITING CHASE MANHATTAN EXECUTIVE, WHO ALSO MEMBER OF BOARD OF GOVERNORS OF INDUSTRIAL DEVELOPMENT BANK, FACED BY WALL OF SILENCE WHEN HE INQUIRED RE BANKING AND INVESTMENT CONDITIONS FROM LOCAL BANKERS. IN CONTRAST, PANAM REGIONAL REP RECEIVED CORDIALLY BY NEW HEAD AFGHAN AIR LINES WHO TALKED OF PLANS ENCOURAGE TOURISM AND EASING OF PRESENT STRINGENT LIMITATIONS ON DURATION OF TOURIST VISAS.

6. MEANWHILE, IN TRADITIONAL AGRICULTURAL SPHERE, COUNTRY CAN STILL LOOK FORWARD TO BUMPER WHEAT HARVEST AND KARAKUL MARKET OPENED IN LONDON SEPT. 19 WITH RECORD MARKET PRICE OF TWENTY DOLLARS PER SKIN. BULK OF GOA ATTENTION SEEMS TO BE FOCUSED ON (A) REVIEW OF PAST ECONOMIC PLANS AND PREPARATION NEW ONE, I.E., WHERE ARE WE NOW AND WHERE DO WE WANT TO GO,(B) DRAWING UP OF SHOPPING LIST FOR TRIP TO SOVIET UNION IN NEAR FUTURE TO FOLLOW UP ON RECENT SOVIET OFFERS OF INCREASED ECONOMIC ASSISTANCE (REF B), AND (C) CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KABUL 06846 220643Z

PREPARATION OF REGULATIONS FOR SOME DEGREE OF CONTROL OVER FINANCIAL ASPECTS OF THE ECONOMY.
LEWIS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, POLICIES, ECONOMIC DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 22 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KABUL06846
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS LEWIS
Errors: N/A
Film Number: n/a
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730917/aaaaalxu.tel
Line Count: 110
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) KABUL 6674; (B) KABUL 6751
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 12 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Dec-2001 by thigpegh>; APPROVED <28-Dec-2001 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNEASY QUIET DOMINATES KABUL ECONOMIC SCENE
TAGS: EGEN, AF
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005